

EXECUTIVE CHAMBERS

HONOLULU

July 8, 2008

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2388

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2388, entitled "A Bill for an Act Relating to Workers' Compensation."

The purpose of this bill is to allow a continuation of medical services for injured employees when a dispute exists between the employee and the employer or employer's insurer regarding a proposed treatment plan or whether medical treatments should be continued. The medical services shall continue until the Director of Labor and Industrial Relations issues a decision on the matter.

This bill is objectionable because it requires an employer or employer's insurer to continue to pay for medical treatments after the employer or employer's insurer determines the continued treatments to be inappropriate, excessive, for a non-compensable condition, or when the employee has been determined by an independent physician to be ready to return to work. Requiring an insurer to pay for medical services that the employer or employer's insurer believes are unwarranted or unnecessary with no substantive right to recovery until the Director decides to deny such benefits will likely result in higher workers' compensation premiums for all businesses in Hawaii.

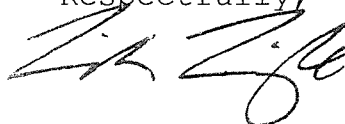
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This bill fundamentally changes the balance between employer and employee regarding the method by which medical care can be terminated. Additionally, the bill places the burden on the employer or the employer's insurer to recover inappropriate and unwarranted medical payments.

Finally, this bill tolerates and encourages abuse of the workers' compensation system by allowing healthy employees, who are fit to return to work, to continue drawing down on benefits. This abuse has a negative impact on the cost of the workers' compensation system and hurts all of Hawaii's workers.

For the foregoing reasons, I am returning House Bill No. 2388 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read 'L. Lingle', is written over the word 'Respectfully'.

LINDA LINGLE
Governor of Hawaii